

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4267-03
Bill No.: HB 1526
Subject: Education, Elementary and Secondary; Teachers
Type: Original
Date: January 31, 2012

Bill Summary: This proposal changes the laws regarding teacher contracts, establishes the Teacher Multiyear Contract Act, and ends separate tenure system for the St. Louis Public Schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Administrative Hearing Commission** state this proposal has no fiscal impact on their agency.

§168.1022.5

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this provision does not increase costs to the state; but could have an unknown additional cost to local school districts. DESE defers to school districts regarding the extent of such costs.

§168.1032.8

DESE assumes this section will likely result in unknown costs to DESE which could exceed \$100,000.

Oversight assumes the repeal of language in §163.172.1 regarding minimum salary requirements for teachers with master's degrees could result in unknown savings for school districts. For fiscal note purposes only, Oversight will range the fiscal impact to Local Political Subdivisions (School Districts) as Unknown Savings to (Unknown Costs).

This proposed legislation was sent to the following school districts, none of which responded to a request for fiscal impact: Blue Springs, Branson, Columbia, Fair Grove, Francis Howell, Independence, Jefferson City, Kirksville, Lee's Summit, Mexico, Nixa, Parkway, Raytown, Sedalia, Sikeston, Silex, Special School District of St Louis County, Spickard, Springfield, St Charles, St Joseph, St Louis City, Sullivan.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Cost</u> - Department of Elementary and Secondary Education - Implementation of Teacher Multiyear Contract Act (\$168.1032.8)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u><u>(Unknown - Could exceed \$100,000)</u></u>	<u><u>(Unknown - Could exceed \$100,000)</u></u>	<u><u>(Unknown - Could exceed \$100,000)</u></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> - School Districts - Teacher Salaries (Repeal §163.172.1)	Unknown	Unknown	Unknown
<u>Cost</u> - School Districts - Payouts to teachers (§168.1022.5)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u><u>Unknown to (Unknown)</u></u>	<u><u>Unknown to (Unknown)</u></u>	<u><u>Unknown to (Unknown)</u></u>
<u>FISCAL IMPACT - Small Business</u>			

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§168.999 - 168.1032 - MULTIYEAR CONTRACT ACT

Beginning July 1, 2013, new certificated employees in all districts will be covered by the Teacher Multiyear Contract Act. After an initial contract of one year, a teacher may be granted a contract for a period of two to four years, based on the district's policy for standards for multiple year contracts. Teachers who receive two successive annual evaluations of "ineffective" will not be re-employed.

§168.1022.5

If a school district has an unrestricted combined ending fund balance of more than ten percent of current expenditures in its teachers' and incidental funds, and in the subsequent fiscal year such district, because of state appropriations, places a teacher on leave of absence after forty days subsequent to the governor signing the elementary and secondary education appropriation bill, the district shall pay the affected teacher the greater of his or her salary for any days worked under the contract, or a sum equal to three thousand dollars.

§168.1032.8

The Department of Elementary and Secondary Education (DESE) will develop standards for implementation of local systems, including processes for determining who is the teacher of record and what is the minimum amount of contact for assignment of a student's scores to a teacher. DESE will also develop a student growth model and a value-added system for determining student growth, provide technical assistance to districts, develop a model system for use by districts lacking the resources to develop their own systems, monitor local systems for consistency results, and link teacher preparation program data with student outcomes.

In addition, this proposal repeals part of §163.172.1 which has a minimum salary requirement for full-time teachers with at least ten years' experience in a public school or combination of public schools and a master's degree.

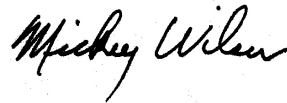
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Administrative Hearing Commission

NOT RESPONDING

School Districts

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, stylized 'M' and 'W'.

Mickey Wilson, CPA
Director
January 31, 2012